

ND TEACHERS FUND FOR RETIREMENT
INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2007

	December-07				September-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation Actual	Policy	Quarter Net ROR	Market Value	Allocation Actual	Policy	Quarter Net ROR	Fiscal YTD Net ROR	FY07 Net ROR	Ended 6/30/2007 Net	Ended 6/30/2007 Net
LARGE CAP DOMESTIC EQUITY												
<i>Structured Growth</i>												
LA Capital	74,168,797	3.7%	3.8%	-1.45%	74,638,689	3.7%	3.8%	0.41%	-1.04%	21.75%	13.79%	N/A
Total Structured Growth	74,168,797	3.7%	3.8%	-1.45%	74,638,689	3.7%	3.8%	0.41%	-1.04%	21.75%	13.79%	11.59%
<i>Russell 1000 Growth</i>				-0.77%				4.21%	3.41%	19.04%	8.70%	9.28%
<i>Structured Value</i>												
LSV	79,534,988	4.0%	4.2%	-5.86%	84,352,453	4.2%	4.2%	-1.05%	-6.85%	23.29%	19.11%	16.46%
<i>Russell 1000 Value</i>				-5.80%				-0.24%	-6.03%	21.87%	15.93%	13.31%
<i>Enhanced Russell 1000 Index</i>												
LA Capital	69,541,493	3.5%	3.5%	-1.46%	78,334,599	3.9%	3.9%	0.07%	-1.39%	20.43%	13.31%	11.77%
<i>Russell 1000</i>				-3.23%				1.98%	-1.31%	20.43%	12.34%	11.33%
<i>Enhanced S&P 500 Index</i>												
Northern Trust	53,515,378	2.7%	2.8%	-4.71%	71,396,557	3.5%	3.6%	0.34%	-4.39%	19.26%	11.40%	10.53%
Westridge	68,951,447	3.5%	3.6%	-3.10%	93,143,968	4.6%	3.6%	2.18%	-0.99%	21.05%	12.00%	11.00%
Wells Capital	54,394,582	2.7%	2.8%	-13.04%	62,909,477	3.1%	2.8%	4.26%	-9.34%	30.71%	N/A	N/A
European Credit Management	24,860,482	1.3%	1.3%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	0.00%
Franklin	50,002,640	2.5%	2.8%	-4.58%	52,852,550	2.6%	2.8%	-0.71%	-5.26%	N/A	N/A	N/A
Total Enhanced S&P 500 Index	251,724,529	12.7%	13.3%	-5.87%	280,302,552	11.3%	12.9%	1.60%	-4.36%	21.56%	11.94%	11.24%
<i>S&P 500</i>				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
<i>Absolute Return Strategy</i>												
Epoch	24,299,793	1.2%	1.3%	-2.48%	14,832,819	0.7%	1.3%	0.06%	-2.43%	N/A	N/A	N/A
<i>S&P 500</i>				-3.33%				2.03%	-1.37%			
<i>S&P 500 Index</i>												
State Street	34,558,111	1.7%	2.0%	-5.86%	36,508,870	1.8%	2.0%	-0.79%	-6.61%	21.86%	12.41%	11.15%
<i>S&P 500</i>				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
TOTAL LARGE CAP DOMESTIC EQUITY	533,827,711	26.9%	28.0%	-4.76%	568,969,984	28.1%	28.0%	0.70%	-4.09%	21.66%	13.61%	12.15%
<i>S&P 500</i>				-3.33%				2.03%	-1.37%	20.59%	11.68%	10.71%
SMALL CAP DOMESTIC EQUITY												
<i>Manager-of-Managers</i>												
SEI	128,153,573	6.5%	7.2%	-6.46%	133,640,864	6.6%	7.2%	-4.25%	-10.43%	17.13%	13.31%	14.32%
<i>Russell 2000 + 200bp</i>				-4.09%				-2.60%	-6.59%	18.76%	15.72%	16.16%
Callan	54,867,271	2.8%	2.8%	-4.56%	58,988,651	2.9%	2.8%	-1.14%	-5.66%	21.00%	N/A	N/A
<i>Russell 2000</i>				-4.58%				-3.09%	-7.53%	16.44%		
TOTAL SMALL CAP DOMESTIC EQUITY	183,020,844	9.2%	10.0%	-5.88%	192,629,515	9.5%	10.0%	-3.32%	-9.01%	17.89%	13.50%	14.44%
<i>Russell 2000</i>				-4.58%				-3.09%	-7.53%	16.44%	13.45%	13.88%
INTERNATIONAL EQUITY												
<i>Large Cap - Core</i>												
State Street	34,893,732	1.8%	1.8%	-4.44%	36,925,062	1.8%	1.8%	1.42%	-3.08%	27.82%	20.73%	15.09%
<i>MSCI EAFE (1)</i>				-1.75%				2.18%	0.39%	27.00%	20.77%	14.70%
<i>Large Cap - Active</i>												
Capital Guardian	107,329,149	5.4%	5.4%	-1.21%	111,099,628	5.5%	5.4%	-0.21%	-1.41%	26.04%	21.52%	14.83%
LSV	99,937,212	5.0%	5.4%	-5.87%	107,359,995	5.3%	5.4%	-3.20%	-8.89%	29.94%	N/A	N/A
Bank of Ireland	32,196,571	1.6%	1.8%	-7.93%	35,356,105	1.7%	1.8%	-4.43%	-12.00%	25.29%	19.70%	13.72%
Total Large Cap - Active	239,462,931	12.1%	12.6%	-4.12%	253,815,729	12.6%	12.6%	-2.09%	-6.12%	27.58%	22.64%	15.45%
<i>MSCI EAFE - 50% Hedged</i>				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
<i>Small Cap - Active</i>												
Lazard	10,339	0.0%	0.0%	-26.49%	34,264,192	1.7%	1.8%	-3.54%	N/A	24.18%	22.99%	21.28%
DFA	30,853,259	1.6%	1.8%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Wellington	34,569,505	1.7%	1.8%	-4.48%	36,560,668	1.8%	1.8%	-0.96%	-5.40%	26.62%	20.49%	21.40%
Total Small Cap - Active	65,433,103	3.3%	3.6%	-4.71%	70,824,860	3.5%	3.6%	-2.23%	-6.83%	25.39%	21.75%	21.34%
<i>Citigroup Broad Market Index < \$2BN</i>				-5.94%				-0.66%	-6.55%	28.60%	26.33%	25.39%
TOTAL INTERNATIONAL EQUITY	339,789,767	17.2%	18.0%	-4.26%	361,565,651	17.9%	18.0%	-1.77%	-5.96%	27.21%	22.14%	16.66%
<i>MSCI EAFE - 50% Hedged</i>				-2.19%				0.11%	-2.08%	26.94%	22.55%	15.71%
EMERGING MARKETS EQUITY												
<i>Core</i>												
JP Morgan	21,417,828	1.1%	0.9%	5.71%	22,064,141	1.1%	0.9%	11.70%	18.07%	46.07%	N/A	N/A
PanAgora	20,900,244	1.1%	0.9%	3.21%	22,057,329	1.1%	0.9%	15.67%	19.38%	46.34%	N/A	N/A
WestLB	21,187,582	1.1%	0.9%	5.94%	21,940,265	1.1%	0.9%	14.72%	21.54%	42.11%	N/A	N/A
UBS	31,231,667	1.6%	1.4%	5.27%	38,528,284	1.9%	1.5%	14.81%	20.85%	42.04%	N/A	N/A
Total Core	94,737,321	4.8%	3.9%	5.07%	104,590,019	5.2%	4.0%	14.30%	20.10%	43.90%	37.74%	29.07%
<i>MSCI Emerging Markets</i>				3.66%				14.52%	18.71%	45.45%	38.67%	21.67%
<i>Small Cap</i>												
DFA	20,774,227	1.0%	1.0%	0.06%	23,173,081	1.1%	1.0%	7.40%	7.46%	68.14%	N/A	N/A
<i>MSCI Emerging Markets</i>				3.66%				14.52%	18.71%	45.45%		
<i>Private Equity</i>												
Capital International	2,308,126	0.1%	0.1%	-5.35%	875,424	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>MSCI Emerging Markets</i>				3.66%				14.52%				
TOTAL EMERGING MARKETS EQUITY	117,819,674	5.9%	5.0%	4.12%	128,638,524	6.4%	5.0%	12.77%	17.41%	48.23%	38.70%	29.61%
<i>MSCI Emerging Markets</i>				3.66%				14.52%	18.71%	45.45%	38.67%	30.66%
DOMESTIC FIXED INCOME												
<i>Core Bond</i>												
Western Asset	24,035,474	1.2%	1.0%	0.80%	26,959,464	1.3%	1.3%	2.08%	2.89%	7.00%	4.29%	5.59%
<i>Lehman Aggregate</i>				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
<i>Index</i>												
Bank of ND	49,327,628	2.5%	3.0%	3.34%	48,493,796	2.4%	3.0%	3.15%	6.60%	5.69%	3.78%	4.49%
Total Index	49,327,628	2.5%	3.0%	3.34%	48,493,796	2.4%	3.0%	3.15%	6.60%	5.69%	3.92%	4.50%
<i>Lehman Gov/Credit</i>				3.10%				3.01%	6.20%	6.00%	3.84%	4.69%
<i>Convertibles</i>												
Calamos (2)	23,502,773	1.2%	1.0%	-0.03%	28,668,314	1.4%	1.3%	3.50%	3.47%	N/A	N/A	N/A
Total Convertibles	23,502,773	1.2%	1.0%	-0.03%	28,668,314	1.4%	1.3%	3.50%	3.47%	12.55%	5.57%	3.31%
<i>Merrill Lynch All Convertibles (3)</i>				-3.25%				1.01%	-2.27%	15.38%	8.30%	10.89%
<i>BBB Average Quality</i>												
Wells Capital	24,086,964	1.2%	1.0%	1.86%	26,752,683	1.3%	1.3%	1.91%	3.81%	9.12%	5.96%	6.71%
<i>Lehman BBB</i>				1.90%				1.67%	3.60%	7.54%	4.47%	6.43%

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	Market Value	Allocation	Policy	Quarter	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	Net ROR	Net ROR	6/30/2007	6/30/2007
											Net	Net
Private Debt												
Prudential	25,092,832	1.3%	1.0%	1.97%	25,779,554	1.3%	1.3%	1.88%	3.88%	7.16%	N/A	N/A
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	N/A	N/A
Timberland												
TIR - Teredo (4)	22,724,218	1.1%	1.1%	14.92%	20,901,445	1.0%	1.0%	-0.17%	14.72%	26.95%	12.73%	12.23%
TIR - Springbank	43,265,800	2.2%	2.2%	-0.46%	44,244,400	2.2%	2.2%	-0.07%	-0.54%	26.90%	N/A	N/A
Total Timberland	65,990,018	3.3%	3.3%	4.47%	65,145,845	3.2%	3.2%	-0.11%	4.36%	27.33%	26.21%	20.09%
NCREIF Timberland Index				3.90%				3.90%	7.95%	11.89%	15.17%	11.37%
Infrastructure												
JP Morgan	30,868,931	1.6%	1.6%	0.18%	10,949,920	0.5%	0.5%	-0.69%	-0.51%	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	242,904,620	12.3%	12.0%	2.38%	232,749,575	11.5%	12.0%	1.68%	4.10%	12.52%	11.43%	10.17%
Lehman Aggregate				3.00%				2.84%	5.93%	6.12%	3.98%	4.48%
HIGH YIELD BONDS												
Core												
Loomis Sayles	65,090,835	3.3%	3.2%	-0.92%	65,442,472	3.2%	3.3%	0.37%	-0.55%	13.37%	11.25%	N/A
Sutter/Wells Capital	57,845,221	2.9%	3.2%	0.30%	61,095,808	3.0%	3.3%	-3.19%	-2.90%	9.82%	8.02%	N/A
Total Core	122,936,056	6.2%	6.4%	-0.33%	126,538,280	6.3%	6.6%	-1.39%	-1.71%	11.59%	9.63%	5.67%
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	-0.67%	11.22%	8.70%	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	2,944,751	0.1%	0.1%	1.03%	2,929,394	0.1%	0.1%	-1.07%	-0.05%	7.39%	N/A	N/A
Goldman Sachs Fund V	2,378,802	0.1%	0.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
TCW	4,886,330	0.2%	0.2%	0.54%	4,493,732	0.2%	0.2%	-2.96%	-2.44%	N/A	N/A	N/A
Total Mezzanine Debt	10,209,883	0.5%	0.5%	0.63%	7,423,126	0.4%	0.4%	-1.72%	-1.10%	7.39%	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	11.22%	11.22%		
Distressed Mortgages												
PIMCO	1,699,145	0.1%	0.1%	0.00%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Declaration Management	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Distressed Mortgages	1,699,145	0.1%	0.1%	0.00%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.07%								
TOTAL HIGH YIELD BONDS	134,845,084	6.8%	7.0%	-0.22%	133,961,406	6.6%	7.0%	-1.35%	-1.56%	11.62%	9.64%	11.24%
LB High Yield 2% Issuer Constrained Index				-1.07%				0.40%	-0.67%	11.22%	8.77%	11.75%
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	45,878,265	2.3%	2.5%	3.31%	44,752,019	2.2%	2.5%	7.48%	11.05%	0.21%	2.69%	6.66%
Citigroup Non-US Gov't Bond Index (5)				3.91%				8.10%	12.33%	2.22%	3.23%	6.89%
International Core												
Brandywine	47,973,203	2.4%	2.5%	2.60%	46,406,302	2.3%	2.5%	5.77%	8.52%	6.63%	7.38%	N/A
Lehman Global Aggregate (ex-US)				3.38%				7.35%	10.98%	3.78%	5.22%	N/A
TOTAL INTERNATIONAL FIXED INCOME	93,851,468	4.7%	5.0%	2.95%	91,158,322	4.5%	5.0%	6.60%	9.75%	3.41%	5.03%	8.23%
Citigroup Non-US Gov't Bond Index (5)				3.91%				8.10%	12.33%	2.22%	3.27%	6.92%
REAL ESTATE												
INVESCO - Core	96,037,067			2.14%	95,950,734			3.09%	5.30%	14.44%	20.09%	14.86%
INVESCO - Fund II	3,152,207			N/A	-			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	99,667,607			2.49%	99,369,333			4.18%	6.77%	19.72%	20.09%	15.71%
J.P. Morgan Alternative Property Fund	22,701,747			0.50%	22,709,392			0.00%	0.50%	6.70%	N/A	N/A
TOTAL REAL ESTATE	221,558,628	11.2%	9.0%	2.10%	218,029,459	10.8%	9.0%	3.25%	5.42%	15.47%	19.41%	14.88%
NCREIF TOTAL INDEX				3.56%				3.56%	7.25%	17.24%	17.83%	14.30%
ALTERNATIVE INVESTMENTS												
Brinson IVCF III	222,612			28.26%	464,589			2.04%	30.88%	110.68%	45.47%	24.48%
Coral Partners V	3,797,127			-1.64%	3,394,750			-1.25%	-2.87%	-1.78%	-4.71%	-14.30%
Coral Partners V - Supplemental	454,271			-5.29%	485,430			-0.33%	-5.60%	8.49%	3.75%	0.86%
Coral Momentum Fund (Formerly Fund VI)	9,103,224			-4.08%	9,605,189			43.80%	37.93%	-16.26%	N/A	N/A
Brinson 1998 Partnership Fund	861,067			7.53%	840,995			6.31%	14.32%	31.02%	22.24%	11.25%
Brinson 1999 Partnership Fund	1,712,302			1.84%	2,183,200			8.83%	10.83%	19.95%	14.43%	7.53%
Brinson 2000 Partnership Fund	6,358,669			3.81%	6,199,397			12.46%	16.74%	13.52%	18.72%	9.86%
Brinson 2001 Partnership Fund	4,615,745			-5.15%	4,925,497			7.25%	1.72%	15.81%	13.02%	7.67%
Brinson 2002 Partnership Fund	2,407,083			-1.75%	2,783,089			7.77%	5.88%	11.10%	12.11%	11.95%
Brinson 2003 Partnership Fund	904,467			5.07%	871,226			-2.14%	2.82%	34.38%	19.70%	N/A
Total Brinson Partnership Funds	16,859,333			2.77%	17,803,404			8.74%	11.75%	16.34%	16.34%	10.08%
Brinson 1999 Non-US Partnership Fund	821,822			-0.20%	833,440			-15.34%	-15.51%	111.26%	57.67%	39.95%
Brinson 2000 Non-US Partnership Fund	2,249,959			3.76%	2,194,591			9.22%	13.32%	55.10%	34.26%	25.05%
Brinson 2001 Non-US Partnership Fund	1,496,252			4.45%	1,725,121			8.40%	13.22%	7.81%	14.42%	11.71%
Brinson 2002 Non-US Partnership Fund	3,320,456			4.69%	3,456,193			9.52%	14.66%	88.98%	43.24%	29.72%
Brinson 2003 Non-US Partnership Fund	2,961,316			8.33%	2,766,605			5.76%	14.57%	76.59%	33.38%	N/A
Brinson 2004 Non-US Partnership Fund	1,189,079			3.79%	1,159,545			7.85%	11.94%	23.98%	15.75%	N/A
Total Brinson Non-US Partnership Fund	12,038,883			4.91%	12,135,494			6.06%	11.27%	62.33%	35.68%	25.84%
Brinson BVCF IV	9,160,209			4.45%	8,877,966			9.99%	14.88%	-3.23%	10.47%	6.87%
Adams Street Direct Co-investment Fund	7,343,213			5.57%	4,748,273			-0.11%	5.45%	N/A	N/A	N/A
Matlin Patterson Global Opportunities	3,890,050			76.23%	2,234,176			-60.15%	-29.77%	10.95%	25.72%	N/A
Matlin Patterson Global Opportunities II	17,184,322			-0.54%	15,978,476			0.61%	0.07%	37.09%	N/A	N/A
Matlin Patterson Global Opportunities III	1,808,147			-2.74%	1,881,593			-15.88%	-18.18%	N/A	N/A	N/A
InvestAmerica	3,659,961			0.00%	3,704,300			18.49%	18.49%	13.96%	-2.58%	-5.68%
Hearthstone MSII	37,393			0.27%	1			0.00%	0.27%	-95.85%	-100.00%	-100.00%
Hearthstone MSIII	1,296,093			1.16%	1,763,355			18.89%	20.27%	208.65%	79.05%	N/A
Corsair III	4,874,553			-1.20%	1,828,381			14.87%	13.49%	N/A	N/A	N/A
Quantum Resources	2,097,268			-4.10%	1,820,436			-8.56%	-12.31%	N/A	N/A	N/A
Quantum Energy Partners	953,868			4.30%	925,634			-17.70%	-14.16%	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (6)	94,780,526	4.8%	5.0%	2.51%	87,651,446	4.3%	5.0%	3.37%	5.96%	17.09%	15.13%	7.33%
CASH EQUIVALENTS												
Northern Trust STIF/STEP	18,697,235	0.9%	1.0%	0.38%	6,291,510	0.3%	1.0%	0.68%	1.06%	5.25%	3.91%	3.00%
90 Day T-Bill				1.05%				1.34%	2.40%	5.21%	3.78%	2.76%
TOTAL FUND	1,981,095,557	100.0%	100.0%	-1.67%	2,021,645,391	100.0%	100.0%	1.16%	-0.53%	20.05%	16.03%	13.77%
POLICY TARGET BENCHMARK				-0.63%				2.32%	1.67%	18.41%	14.38%	12.45%

NOTE: Monthly returns and market values are preliminary and subject to change.

- (1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.
- (2) TCW was terminated on September 22, 2006. The portfolio was transferred to Calamos on October 5, 2006.
- (3) Prior to January 1, 2005, the benchmark was the First Boston Convertible Index.
- (4) Prior to June 1, 2006, the Toredos properties were under the management of RMK.
- (5) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.
- (6) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.